

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

IN RE:)
)
CUMMINGS MANOOKIAN, PLLC,) Case No. 3:19-bk-07235
Debtor.) Chapter 7
) Judge Walker

**ORDER GRANTING MOTION TO APPROVE COMPROMISE AND SETTLEMENT
AND FINDING THAT BRIAN MANOOKIAN LACKS STANDING**

Jeanne Ann Burton (“Trustee”), Chapter 7 Trustee in this matter, filed a Motion to Approve Compromise and Settlement (Doc. 108) (the “Settlement Motion”) in which she sought to allow Claim No. 5 (the “Claim”), filed by Dean Chase, Sandra Chase, and D.F. Chase, Inc. (collectively, the “Chase Parties”) as an unsecured claim in the reduced amount of \$250,000.00. Objections were filed by creditor Grant, Konvalinka & Harrison, P.C. (Doc. 111) (the “Konvalinka Objection”) and by the former principal of the Debtor, Brian Manookian (Doc. 112) (the “Manookian Objection”). Brian Manookian also filed a supplement to his original objection (Doc. 123). The Trustee filed a Response to the Konvalinka Objection (Doc. 124) and a Response to the Manookian Objection and supplement thereto (Doc. 125).

In her Response to the Manookian Objection, the Trustee alleged that Brian Manookian lacked standing to object to the Settlement Motion. On September 24, 2021, the Court entered an Order Setting Forth Procedures for Hearing on the Trustee’s Motion for Compromise and

Settlement (Doc. 135) (the “Procedures Order”) in which the Court notified THE parties that it was bifurcating the September 29, 2021 hearing and would be considering standing as a preliminary matter before proceeding to the merits of the Settlement Motion. Also on September 24, 2021, the Trustee filed the Trustee’s Motion to Strike Brian Manookian’s Objection and to Preclude His Participation in the September 29, 2021 Hearing for Lack of Standing (Doc. 136) (the “Standing Motion”). Brian Manookian filed a response to the Standing Motion on September 27, 2021 (Doc. 144).

The Court conducted a hearing in this matter on September 29, 2021. Pursuant to the Procedures Order, the Court first considered the issue of Brian Manookian’s standing. Phillip G. Young, Jr. appeared on behalf of the Trustee and John Spragens appeared on behalf of Brian Manookian. Mr. Manookian was given an opportunity to offer evidence in support of his argument that he had standing in this matter, and he called the Trustee as a witness. No other witnesses or evidence were offered by Mr. Manookian in support of his argument that he had standing.

Following the Court’s ruling of the standing issue, the Court considered the Settlement Motion, the Konvalinka Objection, and the Trustee’s Response thereto. Phillip G. Young, Jr. appeared on behalf of the Trustee and John Konvalinka appeared on behalf of Grant, Konvalinka & Harrison, P.C. The Trustee testified in support of the Konvalinka Objection and Mr. Konvalinka cross-examined the Trustee. Grant, Konvalinka & Harrison, P.C. asked to call Brian Manookian as a witness but, for the reasons stated orally at the hearing on September 29, 2021, the Court denied the request to examine Mr. Manookian. No other witnesses were offered regarding the Settlement Motion or the Konvalinka Objection.

Based on the Motion, the Konvalinka Objection, the Trustee’s Response thereto, the standing arguments raised in the Trustee’s response to the Manookian Objection and in the

Standing Motion, and the response thereto filed by Brian Manookian; and based on all evidence offered at the September 29, 2021 hearing and the arguments of all counsel at the September 29, 2021; and based on the entire record herein;

IT IS HEREBY FOUND:

- A. Brian Manookian lacks standing to challenge the Settlement Motion filed by the Trustee.
- B. The Trustee properly exercised her business judgment in reaching the proposed settlement of the Claim filed by the Chase Parties as proposed in the Settlement Motion.
- C. Pursuant to Federal Bankruptcy Rule 7052, the Court hereby incorporates and adopts all other findings and conclusions stated orally at the hearing on September 29, 2021.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. The Manookian Objection is moot and Brian Manookian lacks standing to challenge the Trustee's Settlement Motion.
2. The Konvalinka Objection is overruled.
3. The Settlement Motion is approved.
4. The terms of the Settlement Agreement attached as an exhibit to the Settlement Motion are hereby approved, and the Trustee is hereby authorized to enter into the Settlement Agreement on behalf of this estate.
5. Claim No. 5 filed by the Chase Parties is hereby allowed as a general unsecured claim in the amount of \$250,000.00 (the "Allowed Amount").

6. Claim No. 5 filed by the Chase Parties is hereby disallowed to the extent that it exceeds the Allowed Amount, and the Chase Parties shall have no other or further claims against this estate.

7. The Court reserves jurisdiction to interpret and enforce the terms of this Order.

**THIS ORDER WAS SIGNED AND ENTERED ELECTRONICALLY AS
INDICATED AT THE TOP OF THE FIRST PAGE**

Submitted for entry:

/s/ Phillip G. Young, Jr.
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